

A Study of Washington State Child Support Orders

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**Semi-Annual Performance Report of the Research Project
*A Study of Washington State Child Support Orders:
Exploring the Universe of Cases within the Context
of the Child Support Schedule***

**Second Report
September 2001**

**Submitted to the Office of Child Support Enforcement
Administration for Children and Families
U.S. Department of Health and Human Services
Washington, D.C.**

Grant Number 90-FD-0035

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Exploring the Universe of Cases within the Context of the Child Support Schedule

Second Performance Report

This semi-annual progress report covers project activities for the period April 1 through September 30, 2001. The report includes a brief statement of the research plan, a summary of project work thus far, and some preliminary data analysis. The financial status report will be sent separately.

Project Summary Abstract

The child support order is the cornerstone of the public commitment to ensure the economic well being of children whose parents do not share the same household. For some families, private attorneys draw up the order, a judge signs it, and from then on the noncustodial parent pays the custodian directly. Beyond signing and recording the order, the state's representatives are not involved. But for many families, the state's child support (IV-D) agency plays a crucial, continuing role in getting the order signed and enforced, as well as in collecting and distributing child support payments.

This project seeks to investigate the outcomes that flow from the point of order origin. We wish to investigate how well new child support orders in the state of Washington meet the requirements of the Washington State Child Support Schedule. Beyond that, what relationship do they exhibit to the goal of ensuring the economic well being of children? How are child support orders shaped by the process of creation, negotiation, and signature? This is a complicated issue, since there are four distinct categories of child support orders within the state. For orders enforced within the IV-D system, how well do they relate to the goals of the Strategic Plan of the Office of Child Support Enforcement of increasing collection of child support, both current support and arrearages? How representative of all economic strata are the orders that end up in the IV-D case system?

The project has four distinct parts. The first segment is a comparative analysis of the child support orders for the non-IV-D child support cases with the IV-D cases. The second part is a process analysis of how child support orders are set in the absence of income information from the nonresidential parent and/or the non-appearance of the nonresidential parent. Third is a review of the economic literature on the expenditures on children and how Washington's support schedule measures up in terms of economic data and policy issues. Fourth, we proposed a limited pilot project on automating the data needed for support schedule reviews.

Sampling the Universe of Child Support Orders

Washington State proposed an exploratory study to understand the processes and components of how child support orders are set. The federal requirement that all child support orders be sent to a central support registry effective October 1, 1998, has made it possible to examine the universe of child support cases within the state. Prior to this federal requirement, the Division of Child Support did not have access to child support orders that allowed the noncustodial parent to pay the custodial parent directly. It is now possible to examine the child support worksheets used to document the income and circumstances whereby child support is set for all parties in the state. This makes it feasible to assess the full scope of child support orders, not just those within the Title IV-D system.

Washington's Division of Child Support will know how representative its caseload is relative to all formal child support cases. We will document the characteristics of the universe and the strata within. The strata include cases that become IV-D cases through public assistance and through application for services and those that remain outside the child support agency as direct, private payment between the parties or as non-IV-D payment service only through the central child support registry. Further, we plan to match the sample of child support cases with other public sector databases to determine public assistance usage. We can track the conversion of cases from one stratum to another.

Does the Child Support Schedule "Fit" the Case Load—Or Vice Versa?

Through an analysis of orders, the state's support schedule will provide the context for understanding the relevance of the order amounts. Because the amount of support awarded impacts the well being of children, there is renewed interest in the schedule itself in terms of what it does and does not do. Can the schedule provide continuity of expenditures after dissolution of the relationship? How does the schedule affect children at different income levels? Is poverty reduction a realistic goal? We are also interested in the implications for the parents in terms of equity, ability to pay, second families and children in multiple households, to mention a few policy issues.

These issues have become more urgent in light of recent research conducted by the Division of Child Support (DCS). In a study of hard-to-collect cases, we discovered that almost half of the noncustodial parents had multiple child support cases on which they owed support.¹ During the research period, these parents had open, IV-D cases ranging in number from two to twelve. Large numbers also had corrections records or recurrent histories of public assistance, illness, or substance abuse. Many monthly order amounts seemed very high for the circumstances, and the predictable result was escalating

¹ Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases, conducted under OCSE Grant Number 90FF003801. See Executive Summary of the final report *Overcoming the Barriers to Collection*, June 1999.

arrearages. In a current study analyzing child support arrearages, we have found that many noncustodial parents also have other IV-D cases on which they are the custodial parent.² The basis for setting the child support order was frequently poorly documented in the case record, but only about 12 percent of them were clearly based on actual income. These findings raise questions about the accuracy of the orders for the circumstances of the parents. But without an examination of the orders themselves, it is difficult to determine whether the problem lies primarily in the process or the standards set by the existing child support schedule.

A Look at the State's Four-Year Review Process

In addition to looking at the economic theories that underlie the schedule, there is the practical issue of how states conduct their four-year reviews. In Washington, the Legislature arranges for the review. The reviews have involved sampling the summary sheets from the child support worksheets, which are retained in their paper form. At present, the documents of the non-IV-D child support cases are available in an imaged format through the Washington State Support Registry (WSSR). The imaged forms include the support order and worksheets that detail the income of the parents, the children's ages, and other relevant circumstances that affect the amount of child support. We proposed a small-scale pilot project to create a database that could allow a review of the schedule from an automated data capture system that is readily available for analysis.

Project Time Line

The project began October 1, 2000, and continues through February 28, 2002, for a period of 17 months. The updated Gantt chart is attached (*See Appendix*).

² Determining the Composition and Collectibility of Child Support Arrearages, conducted under OCSE Grant Number 90-FD-0027, Fourth Performance Report, forthcoming.

Progress to Date

One of the challenges of this project is to integrate the perspectives of disciplines involved in creating, maintaining, interpreting, and applying child support guidelines. The federal legislation that requires states to apply uniform guidelines had several purposes, among them the intention that states would base child support on the income of the parties, rather than the cost of public assistance expended or the opinion of the judge (among other things). The child support schedules created by the states in response, including Washington's, relied heavily on the body of literature created by household economists on the costs of raising a child.

Courts and judges apply the child support schedule in granting divorces and modifications. In Washington State, the Office of the Administrator of the Courts maintains the schedule. Private attorneys conduct much of the work in representing clients, drawing up child support orders, and filling in the blanks on the schedule worksheets with income, deviation, and transfer payment amounts.

The Division of Child Support research unit examined the conformity of orders with the child support schedule shortly after the schedule was first implemented.³ Much has changed since that time. Washington's economy has grown enormously, and the distribution of wealth has changed. Federal reforms have altered the public assistance and the child support system. Technology has transformed case management and collections.

Since that initial study, DCS research has looked chiefly at improvement of collections within the IV-D caseload. Hence this current project centers on topics and arenas that have not been the focus of DCS research for over a decade. Of course, DCS claims officers, collection staff, and affiliated prosecutor staff are intensely involved with the resulting child support orders and are responsible for proposing many administrative orders and paternity orders, as well as negotiating settlements. Our project database relies importantly on flat file extracts from the Support Enforcement Management System (SEMS) and the work of DCS Central Registry in imaging orders. The outcomes will surely reflect the practical case management perspective of IV-D staff. Nevertheless, our central agenda is economic and judicial rather than the study of child support collections.

Project Economist and Literature Review

Fanny Nyaribo-Roberts, Ph.D., joined us as project economic analyst in January. She holds a doctorate in agricultural economics from Washington State University, and has had years of research experience in labor market and economic analysis, agricultural economics, and

³ *Survey of Child Support Orders: Review of the Use of the 1988 Child Support Schedule in Washington State*, Final Report to the Washington State Child Support Schedule Commission, 1990.

mental health service utilization and cost effectiveness.⁴ The literature on the cost of raising a child is an aspect of the study of the household economy, which in turn is a specialty area of agricultural economics. Consequently, we were especially fortunate to obtain Dr. Nyaribo-Roberts' services.

Her first task was to conduct a review of the literature on the cost of raising a child with an explanation of the relationship of these studies to the major models used in constructing state child support schedule guidelines. She completed this work in March. Her completed review provided the main part of the project's first semi-annual performance report, submitted to OCSE on March 30, 2001.

Since that time, Dr. Nyaribo-Roberts has had the lead role in developing the sample and constructing the database for the comparative analysis of IV-D child support orders with non-IV-D. She provides a brief description of the sample selection as well as a first look and summary tables for the IV-D categories below in the second part (*Selection of the Support Order Sample*) of this report.

Identifying Data Sources, Collection, Sampling Plan

Data identification and data collection have been time consuming. Our time frame for sampling was set from October 1, 2000, through February 28, 2001.

From that period, we have a total of 18,375 orders as the universe of orders from which to select a sample. These orders are broken into four categories, based on IV-D status and on the provision for making payment.

Non IV-D:

- Direct Pay (one party pays child support to the other directly) 2,075
- Payment Service Only (payment through the registry, no enforcement) 782

IV-D:

- Court Ordered (DCS enforcement services) 10,075
- Administratively Ordered (DCS enforcement services) 5,443

By focusing on the most current orders, we hoped to capture current practices in setting orders or in modifying orders. We also hoped that the central registry staff imaged some of the cases selected for the sample. Because of the diverse data sources and distinctive processes for creating and enforcing orders, we decided on a stratified sample.

The process for determining the sample size began with reviews of about 20 cases from each stratum. It was necessary to determine how complete the documentation was before we proceed. We found that not all pages of the worksheet were available. We also

⁴ An abbreviated resume for Dr. Fanny Nyaribo-Roberts was included in our First Semi-Annual Performance Report, March 30, 2001, page 4.

decided to exclude temporary orders. Not all the orders were available. The data fields from the automated system were fairly well filled in for the IV-D categories and fairly adequate for the PSO, allowing us to use that as a data source. Once existing data elements were known, we then identified remaining data elements that must be gathered from other sources. Because data entry is expensive in terms of money and time, we limited the number of data elements that we need from worksheets and orders.

Our hopes of using the forms that summarized the bases for setting child support order amounts and documenting deviations from the child support schedule were dashed after finding them missing most of the time in the scanned order database. Upon further investigation, we also found that the summary sheets no longer synchronize with the worksheets.

State law did not mandate that the summary sheets be completed. Instead, their use was strongly encouraged. The worksheets are required, and failure to comply is punishable under perjury laws.

What is disturbing about this discovery is that previous child support schedule reviews have been conducted on the summary sheets only. The summary sheets were, in fact, created for the support schedule reviews to ensure the schedule was being used and that any deviations were documented. The unintended consequence of basing the reviews solely on the summary sheets, which are not mandated, is that the reviews are biased because the summary sheets are not universally completed. Sampling is currently done on the completed summary sheets, which are submitted at the time that the order amount is set. The problem is, of course, that the summary sheets appear to be completed or required only by some judges in some jurisdictions.

Washington State had planned to hire a private firm to conduct the child support schedule review the summer of 2001, however, the legislature did not act to initiate the review. DCS will work with the legislature this session to ask them to initiate the review. We will of course point out the problem with relying on the summary sheets.

Coding and Data Entry: A New Project Staff Person

From the outset we knew it would be a challenge to get the needed information assembled, let alone entered in a database. None of the information about the direct pay orders was available in a computer file except for basic indexing data about the social security numbers, names, type of order, order location, and order number. To get a paper copy of the order and order worksheets, someone must access the imaged order on the intranet, decide how much to print of the file (which sometimes exceeded 60 pages), then print the material off, a slow process that tied up the printer and reduced its useable life. If it were to be sent elsewhere for data entry, a project research staff member would need to do some initial mark up for the data entry staff. Some of the needed information was available through SEMS flatfile extracts for the three categories other than direct pay. But even so,

the income information was not on SEMS, so that at least part of the worksheet would need to be obtained from the imaged order for PSO orders and for any IV-D orders that were not matched to the SQL database.

We faced a dilemma as to whether to send the various summary sheets, child support worksheets, and court orders to a data entry operation within state government or whether to have a knowledgeable Support Enforcement Officer cull through the information and input it. Data entry operators rely on uniform documents to reduce keystrokes per minute, which is the major performance indicator on their work evaluations.

As we gathered preliminary data to assess which documents we needed to extract the information necessary for the project, we soon realized that there were multiple problems. First, it appeared the one-page summary form had fallen into disuse. Second, the online worksheet's line numbers do not agree perfectly with the printed worksheets. Third, the child support orders vary in format to such a degree that the information is found in different places. In addition, the information is often buried in text so that the document must be read to find the key data elements. With this scenario, sending the printed documents off for data entry elsewhere was ruled out.

After wrestling with the thorny issue of how to gather and code the data for the child support project, we decided to hire Jean Anthony Bowen as a temporary project member. She is an experienced Support Enforcement Officer (SEO 2) from the Tacoma field office. A brief resume can be found in the Appendix. She was not new to MAPS or to research project work. Previously known as Jeannie Anthony, she had provided invaluable assistance on the Arrearage grant for us as the Program Analyst who did the intensive case review and coding. She participated in developing the case assessment questionnaire for the Arrearage project. In addition to drafting some of the questions, she helped translate the written instrument into Access format, entering the coded information directly into the database.

The work is quite similar between the two projects, eliminating the learning curve. Unfortunately, it is still necessary to print many pages, but she is able to be more selective. We avoid the process of marking up the printed pages, as well as the delay of sending them out to be data entered.

The coding has proceeded rapidly. Coding has been completed on the income data elements for the Payment Services Only orders. As explained above, the Direct Pay orders are considerably more labor intensive because the order elements as well as the income data are not available through SEMS flatfile extracts. Nevertheless, about 800 of the Direct Pay orders have been coded thus far, and work continues. The representation of this category within the sample will be more than adequate.

Selection of the Support Order Sample

Time Frame for Study Sample

The federal requirement that all child support orders be sent to a central support registry has made it possible to examine the universe of child support orders and not just those associated with IV-D cases. However, the data needed to do this are scattered among different entities within the Division of Child Support. For example, data associated with incomes and imputation of income resided in a different place than the data on whether transfer payments associated with these cases deviated from the standard calculation. Dates and times associated with the different data sources within the Division of Child Support were not necessarily consistent. In order to have a data set that had all the variables needed to conduct the study, project staff decided that it was necessary to determine a time frame where all of the data fields were as complete as possible across all the data sets.

One of the main sources of data on incomes for IV-D Court-Ordered cases resides on an SQL database at the Division of Child Support headquarters. These data are purged from the SQL database every 90 days. Because of the 90-day purging cycle income data and other data unique to the SQL database prior to October 1, 2000, were not available at the time of our data request. It was then decided that for the purposes of this study, only data with orders falling between October 1, 2000, through February 2001 would be included in the study. Basically this made up the universe of cases from which sampling of the four categories below was done.

There are four categories of orders (or cases) that the data for this study will be coming from. These are:

1. Direct (or alternate) pay court orders. These cases are also referred to internally as “code 63” closures. There were 2,075 orders within the relevant time frame for this study.
2. The second category is the payment services only (PSO) cases of which there were 805 orders.
3. The third category is comprised of IV-D court order cases. There were 10,548 orders.
4. The fourth category consists of IV-D administrative orders, of which there were 5,568.

In the PSO category the entire universe of PSO cases was included because of the small number of cases (805 orders) within the selected time frame. After eliminating temporary orders and those that were not usable, the effective PSO sample was reduced to 448 cases.

The entire universes of IV-D Court and IV-D Administrative orders were used as candidates for possible inclusion in the sample for analysis. The determining factor on the

number of cases to be included for analysis rested on matching cases in the two universes to data in the “flat file” and data from the SQL database. The flat file is not a single file, but a set of files containing various data on cases in the Washington State Division of Child Support’s case management computer system (SEMS). Out of a universe of 10,548 IV-D Court orders, the matching exercise yielded 1,394 orders that matched across all files. This became the effective sample for the IV-D Court order cases. Out of a universe of 5,568 IV-D Administrative cases, some 1,662 cases matched across all files. This became the effective sample for the IV-D Administrative orders.

Problems with Data from the SQL Database

The main problem with data from the SQL database is the duplicate case numbers and the inclusion of dummy cases used for preliminary child support calculation before reaching a final child support amount. The problem of duplicate cases was resolved by taking a proportion of the sample and verifying that the presumptive transfer payment amounts in the SQL database were consistent with those reported in the “flat file”. Essentially this entailed putting together a two piece puzzle using three pieces of data.

The first piece of the puzzle contains PRESUMPTIVE TRANSFER PAYMENT⁵ data from the SQL database, the second piece being ORDER CURRENT AMOUNTS and DEVIATION AMOUNTS from the “flat file”. The consistency needed to validate the SQL data was that the DEVIATION AMOUNT plus ORDER CURRENT AMOUNT must be equal to or be in the neighborhood of the PRESUMPTIVE TRANSFER PAYMENT amount reported in the SQL database. Using this decision rule some 60 percent of the IV-D Administrative orders met the criterion. The remaining cases had amounts different from what was expected but still within a reasonable range. For the IV-D Court order cases the criterion was satisfied in 56 percent of the cases. Those that differed deviated by anywhere from \$10 to \$50. The dummy cases in the SQL database were simply removed from the data file before the matches were done. Duplicate cases were also deleted before the match was done.

Preliminary Analysis: Summary Description of IV-D Order Data

Type of Orders in the Samples

Table 1 below shows the distribution of order types for both IV-D Administrative and IV-D Court orders. For the IV-D Administrative order category, administrative notice default orders constituted the majority of order types, making up 56.88 percent of these orders. Agreed settlements made up the second largest group (13.87 percent).

In contrast, the majority of IV-D Court orders were paternity orders (52.34 percent), followed by dissolutions, which made up 8.40 percent of orders in this category.

⁵ Upper case lettering simply denotes an actual variable name in the analysis data file.

Table 1: Order Types for IV-D Administrative and IV-D Court Orders		
Order Types	IV-D Administrative N=1,662	IV-D Court N=1,394
Dissolution	2.35%	8.40%
Temp court order	1.33%	5.53%
Paternity order	2.11%	18.38%
URESA	0.06%	
Other court order	0.78%	3.95%
Administrative order	9.95%	
Consent order	4.95%	
Agreed settlement	13.87%	0.07%
Administrative notice default	56.88%	0.65%
Modification-court order only	0.42%	29%
Judgment/Paternity	1.09%	33.96%
Judgment/non-paternity		0.07%
09-710 administrative order	0.72%	
09-710 consent order	0.12%	
09-710 agreed settlement	0.18%	
09-710 default	4.34%	
Modification-administrative order	0.84%	
Total	99.99%	100.01%

Case Types

In the IV-D Administrative sample, 33.81 percent were TANF and 34.60 Nonassistance, followed by Medicaid (14.32 percent), Subro-Only (9.15 percent), and Foster Care – State only (6.56 percent). (See Table 2 below.) In the IV-D Court sample 50.94 percent were Nonassistance and 31.27 percent were TANF, followed by Medicaid (12.32 percent) cases.

Table 2: Case Types for IV-D Administrative and IV-D Court Orders		
	IV-D Administrative	IV-D Court
Case Types	N=1,662	N=1,394
Subro Only	9.15%	4.76%
TANF(AFDC)	33.81%	31.27%
Nonassistance	34.60%	50.94%
Foster Care TANF	1.56%	0.22%
Foster Care State Only	6.56%	0.50%
Medicaid	14.32%	12.32%
Total	100.00%	100.00%

Incomes and Transfer Payments

Table 3 displays mean gross income, net income, transfer payments and mean deviation amounts. Mean net income for noncustodial parents (NCPs) for the IV-D Administrative sample was \$1,349 per month. Combined (noncustodial plus custodial parent) net monthly income was \$1,827. The mean net monthly income for the NCP IV-D Court order sample was \$1,815, while combined net monthly income was \$2,504. The average transfer payment for the IV-D Administrative orders where the father is the NCP (about 68 percent of the sample) was \$277 per month. About 32 percent of the noncustodial parents were mothers in this sample. The average transfer payment in this case was \$183 per month. The mean deviation per month was \$13 and \$16, respectively, for fathers who are NCPs and for mothers who are NCPs.

Table 3: Mean Income, Transfer Payments and Deviations for IV-D Administrative and IV-D Court Orders						
Item	IV-D Administrative			IV-D Court		
	N=1662			N=1394		
	Mean	Max	Min	Mean	Max	Min
Father's gross income	\$1,349	\$7,761	\$0	\$1,815	\$9,851	\$0
Mother's gross income	\$704	\$6,242	\$0	\$1,054	\$5,992	\$0
Father's net income	\$1,184	\$6,105	\$0	\$1,561	\$6,840	\$0
Mother's net income	\$643	\$4,752	\$0	\$944	\$4,183	\$0
Father's (NCP) transfer payment	\$277	\$1,507	\$0	\$349	\$1,946	\$0
Father's (NCP) deviation	\$13	\$505	-\$229	\$38	\$1,036	-\$249
Mother's (NCP) transfer payment ^a	\$183	\$941	\$0	\$292	\$1,023	\$0
Mother's (NCP) deviation ^b	\$16	\$409	-\$89	\$49	\$746	-\$249

^a531 (32% of sample) mothers are noncustodial parents in the IV-D Administrative sample.

^a68(5% of sample) mothers are noncustodial parents in the IV-D Court sample.

^bBased on transfer payments made by mothers who are noncustodial parents.

Imputing Income

Percentages of imputed income are displayed in Table 4 below. For fathers, income was imputed in 23.35 percent of the IV-D Administrative order sample, and in 30.56 percent of the IV-D Court order sample. For mothers, in the IV-D Administrative sample, income was imputed in 19.68 percent of the cases whether they were NCPs or not. The proportion for mothers in the IV-D Court order sample was 27.69 percent.

Percentage of Cases with Imputed Salaries		
	IV-D Administrative	IV-D Court
Income imputed	N=1,662	N=1,394
Father	23.35%	30.56%
Mother	19.68%	27.69%

Appendix

New Project Staff

Jean Anthony Bowen

Program Analyst, MAPS Unit, Division of Child Support, *A Study of Washington State Child Support Orders* (funded through OCSE), 7/01-present.

Program Analyst, *Determining the Composition and Collectibility of Child Support Arrearages* (funded through OCSE), 8/00-2/01. Conducted intensive case reviews, developed Access data coding screens, analyzed and input data.

Support Enforcement Officer, Division of Child Support, Tacoma Field Office, 9/97-7/01. Created a guide for applying the Whole Family Method; created a guide to help standardize the way deviations are applied in my unit during order establishment and modification; created ACES resource manual for the office; responsible for training Support Enforcement Officers in ACES (the public assistance case management system).

Financial Service Specialist, Washington State Department of Social and Health Services, Kent Community Service Office, 9/94-10/97.

BA, Sociology/Philosophy, Gonzaga University, Spokane, WA., May 1994.